

DIRECTIVE

JOB TRAINING PARTNERSHIP ACT

Number: D98-14

Date: February 11, 1999
69:32:cg

TO: SERVICE DELIVERY AREA ADMINISTRATORS
PRIVATE INDUSTRY COUNCIL CHAIRPERSONS
JTPD PROGRAM OPERATORS
EDD JOB SERVICE OFFICE MANAGERS
JTPD STAFF

SUBJECT: TITLE III PERFORMANCE STANDARDS FOR PY 1998-99

EXECUTIVE SUMMARY:

Purpose:

This directive provides Title III performance standards data and instructions for Program Year (PY) 1998-99.

Scope:

The requirements and instructions in this directive apply to the Title III formula-funded program.

Effective Date:

July 1, 1998

REFERENCES:

- Job Training Partnership Act (JTPA) 29 USC 1501, et seq, as amended
- JTPA Regulations, 20 CFR Parts 626-629 and 631, published in the Federal Register on September 2, 1994
- *Guide to JTPA Performance Standards for Program Years 1998 & 1999*, (draft for transitional year)
- Training and Employment Guidance Letter (TEGL) 12-97, Job Training Partnership Act Title II and Title III Performance Standard for PY 1998-99, dated June 30, 1998
- TEGL 12-97, change 1, Definition on Performance Standards, dated July 7, 1998
- TEGL 12-97, change 2, Title II and Title III Economic Data and Performance Standards Worksheet, dated August 5, 1998
- TEGL 12-97, change 3, Title II and Title III Economic Data and Performance Standards Worksheet, dated September 17, 1998
- Training and Employment Information Notice (TEIN) 5-93, Change 1, dated June 23, 1994, and Change 2, dated January 24, 1997
- TEGL 8-97, dated April 23, 1998
- JTPA Directive D95-10, Adjustments of Service Delivery Areas Performance Standards, dated August 17, 1995

STATE-IMPOSED REQUIREMENTS:

This directive contains state-imposed requirements that are printed in ***bold, italic*** type.

FILING INSTRUCTIONS:

This directive supersedes JTPA Directive D97-14, January 27, 1998, and finalizes draft directive DD-9, issued for comment on December 9, 1998. Retain this directive until further notice.

BACKGROUND:

Section 106 of the JTPA requires that the Secretary of Labor prescribe performance standards for dislocated worker programs under Title III. The Secretary has provided multiple regression models for use by the governors of each state to accomplish this provision. In addition, Section 106(d) further provides that each governor shall prescribe, within parameters established by the Secretary: 1) variations in the performance standards based upon specific economic, geographic, and demographic factors in each Service Delivery Area (SDA); 2) the characteristics of the population to be served; 3) demonstrated difficulties in serving the population; and 4) the type of service to be provided.

POLICY AND PROCEDURES:

I. PERFORMANCE MEASURES

There are two performance measures for programs serving dislocated workers: Entered Employment Rate (EER) and Average Wage at Placement (AWP). The Governor is required to implement the core EER measure while the AWP measure is optional. For PY 1998-99, the state established only the EER as a required measure.

Effective July 1, 1998, states were authorized to use the wage record data collected by the Unemployment Insurance program in place of follow-up data collected through telephone surveys to compute the following post-program follow-up measures: Follow-Up Employment Rate and Average Wage Replacement Rate at Follow-Up. Adjustment models and departure points will not be available for setting local wage-based follow-up standards for PY 1998-99.

The Department of Labor (DOL) gave the state the option to use Average Wage Replacement at Termination as an additional noncore measure. The state has decided not to use Average Wage Replacement at Termination for PY 1998.

II. PERFORMANCE LEVELS

For PY 1998-99, SDAs are required to meet or exceed the EER standard by the end of the program year (i.e., June 30). At the mid-point of PY 1998-99, the state will provide SDAs with a progress report of their Title III, EER performance, based on the second-quarter data. The SDAs failing this measure at mid-point of the program year will be offered technical assistance to improve their performance or help in exploring adjustments to the standard caused by factors beyond their control.

III. INCENTIVE/SANCTIONS

The final assessment of EER performance outcomes will be based on the Title III fourth-quarter reports due July 25, 1999 (or August 20, 1999, if a revised fourth-quarter report is filed). Although the Governor has elected not to provide incentive awards for Title III performance, ***SDAs failing to meet the EER standard will be required to develop a corrective action plan (CAP) for submission to the state. The CAP must include measures the SDA will take to ensure success in meeting the standard in the succeeding program year.*** The SDAs failing the EER measure for two consecutive years can be subject to redesignation or bypass procedures as allowed for in Section 627.470(g)(5) of 20 CFR Final Rule.

IV. PROCEDURES FOR CALCULATION OF PERFORMANCE

The SDA standards for Title III programs are set by using the Secretary's multiple regression models. Regression models account for local factors that affect performance such as participant characteristics, program mix, and the unemployment rate.

A. SETTING STANDARDS

1. REGRESSION MODEL WORKSHEETS

Regression model worksheets (for both the EER and AWP) and instructions for the calculation of performance standards for the program year are contained in Attachments 1 and 2, respectively. The worksheets that were issued by the DOL in TEGL 12-97, Change 3, dated September 17, 1998. The worksheets were generated using a statistical technique called multiple regression analysis. This method estimates the factor weights presented on the worksheets. The weights represent the simultaneous influences of various participant characteristics and local economic conditions on SDA program performance.

2. DATA

The local factor values in the performance standards worksheets are calculated from quarterly data provided by the SDAs and reported on their JTPA 11, Participant Characteristics Summary. Local economic data for PY 1998-99 are provided in Attachment 3. These data are based upon the latest available information prepared by DOL.

3. EXTREME VALUES

Although the regression models produce meaningful performance standards for most SDAs, under some circumstances, the results are unacceptably extreme. Each year, the Secretary publishes tables of extreme values for model-adjusted standards and for local factors. Extreme values are listed in Attachment 4.

Extreme local factor values may indicate the need for adjustments beyond the model. Whenever an SDA has one or more extreme local factor values, we encourage a request for an adjustment. ***The Job Training Partnership Division (JTPD) staff will unilaterally adjust any model-adjusted EER standard with extreme values (unless the adjustment will have no effect on whether or not the SDA exceeds the standard). Adjustments using a wider tolerance range will not be considered.***

4. ADJUSTMENTS BEYOND THE MODEL

The regression models do not necessarily take into account every factor that may affect performance. Further, weights applied to local factors in the models are based on national performance levels, and this may not reflect California experience. Therefore, requests for adjustments to performance standards are encouraged whenever local circumstances make such adjustments appropriate. Adjustments are applied to the EER measure only.

Although adjustments beyond the model must meet the federal criteria, an initial request for adjustment need not include extensive technical data. The adjustment process may begin with a simple written statement of concern. Upon receipt of the written request, JTPD staff will provide technical assistance in determining if the requested adjustment meets the federal criteria and in developing an appropriate adjustment methodology. Requests will be processed in accordance with procedures described in JTPA Directive D95-10, Adjustments of SDA Performance Standards.

B. PERFORMANCE-ACTUAL OUTCOMES

Actual performance is calculated from data extracted from the SDA's JTPA 10E. The performance outcomes for the EER measure are derived as follows:

The number of individuals who entered employment of at least 20 hours per week at termination (excluding those who were recalled or retained by the original employer after receipt of a layoff notice) as a percentage of total terminations (excluding those who were recalled or retained by the original employer after receipt of a layoff notice).

C. VARIANCE

Variance is the degree by which a standard is exceeded, met, or failed.

For the EER core measure, the variance will be the difference between the standard and the actual performance.

EXAMPLE

Entered Employment Rate Performance	73.5%
Entered Employment Rate Standard	<u>-65.5%</u>
Difference	+8.0%
Variance (equal to the difference)	+8.0%

ACTION:

It is the SDA's responsibility to establish, maintain, and exercise ongoing controls to ensure compliance with these requirements.

INQUIRIES:

If you have any questions regarding this directive, please contact Andy Flennoy at (916) 654-8298 or Karen Yuke at (916) 654-7585, in the Data Analysis Unit.

/S/ BILL BURKE
Assistant Deputy Director

Attachments

**WORKSHEETS FOR CALCULATING
TITLE III PERFORMANCE STANDARDS
Program Year (PY) 1998-99
(July 1, 1998, through June 30, 1999)**

Entered Employment Rate (core)

Average Wage at Placement (noncore)

JTPA PERFORMANCE STANDARDS WORKSHEET
FOR PY 1998-99
Entered Employment Rate (Title III)

A. Service Delivery Area's Name			B. SDA Number		
C. Performance Period: PY 1998-99		D. Type of Standards: <input type="checkbox"/> Plan <input type="checkbox"/> Recalculated		E. Performance Measure: Entered Employment Rate (Title III)	
F. Local Factors	G. SDA Factor Values	H. National Averages	I. Differences (G-H)	J. Weights	K. Effect of Local Factors On Performance (I * J)
1. % Female		55.2		-0.023	
2. % Age 55 or more		8.2		-0.092	
3. % Not a high school graduate		8.2		-0.058	
4. % College Graduate		12.2		0.005	
5. % All minority		24.4		-0.025	
6. % Minority male		10.4		-0.014	
7. % Cash welfare recipient		2.7		-0.076	
8. % Basic skills deficient		34.9		-0.026	
9. % Individual with a disability		3.1		-0.090	
10. % Offender		5.2		-0.014	
11. % Displaced homemaker		1.5		-0.042	
12. % Unemployed 15 or more weeks		36.1		-0.046	
13. % UI claimant		64.8		0.016	
14. Unemployment rate		5.7		-0.186	
15. % Employed in manufacturing, agriculture, and mining		20.3		-0.140	
16. % Families with income below poverty		10.6		-0.179	
17. Employee/resident worker ratio		97.2		-0.131	
L. Total					
M. National Departure Point					73.00
N. Model-Adjusted Performance Level (L+M)					
O. Governor's Adjustment					
P. SDA Performance Standard					

JTPA PERFORMANCE STANDARDS WORKSHEET
FOR PY 1998-99
Average Wage at Placement (Title III)

A. Service Delivery Area's Name		B. SDA Number				
C. Performance Period: PY 1998-99	D. Type of Standard: <input type="checkbox"/> Plan <input type="checkbox"/> Recalculated	E. Performance Measure: Average Wage at Placement (Title III)				
F. Local Factors	G. SDA Factor Values	H. National Averages	I. Differences (G-H)	J. Weights	K. Effect of Local Factors On Performance (I * J)	
1. % Female		55.2		-0.0107		
2. % Age 55 or more		8.2		-0.0050		
3. % Not a high school grad		8.2		-0.0034		
4. % Post-high school (not a college graduate)		27.3		0.0067		
5. % College graduate		12.2		0.0262		
6. % Black (not Hispanic)		14.5		-0.0053		
7. % Other minority		9.9		-0.0030		
8. % Minority male		10.4		-0.0034		
9. % Basic skills deficient		34.9		-0.0051		
10. % Individual with a disability		3.1		-0.0024		
11. % Limited English proficiency		1.5		-0.0102		
12. % Vietnam-era veteran		6.1		-0.0011		
13. % Unemployed 15 or more weeks		36.1		-0.0029		
14. Dislocation wage		10.3		0.4289		
15. % No dislocation wage		7.3		0.0468		
16. Three year growth in earnings in trade		0.0		0.0085		
17. Annual earnings in retail and wholesale trade		17.3		0.1742		
18. % Of families with income below poverty level		10.6		-0.0140		
19. Employee/resident worker ratio		97.2		-0.0066		
		L. Total				
		M. National Departure Point				\$9.32
		N. Model-Adjusted Performance (L+M)				
		O. Governor's Adjustment				
		P. SDA Performance Standard				

**GENERAL INSTRUCTIONS FOR COMPLETING JTPA PERFORMANCE
STANDARDS WORKSHEETS
PY 1998-99
(July 1, 1998, through June 30, 1999)**

GENERAL INSTRUCTIONS FOR COMPLETING THE JTPA TITLE III PERFORMANCE STANDARDS WORKSHEET FOR PY 1998-99

The following provides general instructions for completing the JTPA Performance Standards Worksheets including the sources of data and computation methods for the items on the worksheets.

A. Service Delivery Area (SDA) Name

Enter the SDA name.

B. SDA Number

Enter the JTPA number assigned by the Governor to the SDA.

C. Performance Period

Enter the performance period.

D. Type of Standard/Date Calculated

Enter a check in the box next to the appropriate response (i.e., whether the standard is based on the SDA plan or is recalculated based on actual service levels). Enter the date on which the calculations were made.

E. Performance Measures

The name of the appropriate performance measure for which the SDA Performance Standard is being established is preprinted.

F. Column F – Local Factors

The Local Factors determined by the Secretary to have a measurable influence on SDA expected performance levels for each of the performance measures are preprinted.

G. Column G – SDA Factor Values

Enter the SDA values for each Local Factor listed in Column F. When the worksheets are used for planning purposes, these SDA Factor Values should reflect the characteristics of the participants expected to terminate during the program year. These planning values should be obtained from the SDA. When the worksheets are used to calculate final standards, actual terminnee characteristics should be substituted for the planned Factor Values.

The characteristics of the terminees must be expressed as a percent of the total number of participants who terminate during the program year. The SDA local economic data provided in Attachment 3 might be used to determine the SDA Factor Values for local economic conditions.

NOTE: The definitions of the local factors are based on the Standardized Program Information Report (SPIR) definitions.

The items that are being revised in the SPIR needs to be clarified. Changes and clarifications include:

Dislocation wage and no dislocation wage – The same procedure used for the preprogram wage for Title II should be used in calculating the average dislocation wage for Title III. Individuals without dislocation wages (primarily displaced homemakers) should be treated as having a wage of zero (0.00).

Post-high school – For Title III, post-high school excludes college graduates because college graduate is treated as a separate factor.

H. Column H – National Averages

National Averages mean data for the Local Factors shown in Column F are preprinted. These represent the characteristics for JTPA terminees served in PY 1996-97.

I. Column I – Difference

Subtract Column H (National Averages) from Column G (SDA Factor Values) for each Local Factor listed in Column F and enter the result in Column I.

J. Column J – Weights

The appropriate Weights for each Local Factor listed in Column F is preprinted. These Weights indicate the estimated effect of each characteristic on the performance measure in question.

K. Column K – Effect of Local Factors on Performance Expectations

Multiply Column I by Column J for each Local Factor listed in Column F and enter the result in Column K.

L. Block L – Total

Obtain the total of items listed in Column K by adding the positive items and subtracting the negative items. This represents the net effect of Local Factors on performance.

M. Block M – National Departure Point

The National Departure Point for each performance measure is preprinted for all measures.

N. Block N – Model-Adjusted Performance Level

Add Block L to Block M. Enter the result in Block N. This figure represents the Model-Adjusted Performance Level.

O. Block O – Governor's Adjustment

The Governor may adjust the Model-Adjusted Performance Level to account for additional circumstances to include a productivity improvement factor or to allow for statistical imprecision.

Although the adjustment models produce meaningful performance standards for a large majority of SDAs, under some circumstances, the results may be unacceptably extreme. Governors should examine individual performance expectations for the SDAs with extreme model-adjusted performance levels. The model-adjusted values that are considered extreme for Title III are given in Attachment 4.

Combine the adjustments allowed by the Governor and enter in Block O the total positive or negative adjustment. If no adjustment is determined to be appropriate, enter a zero in Block O. Generally, the Governor's Adjustment applied at the beginning of the year for planning purposes should also be applied at the end of the year to determine actual standards. However, it should be recalculated based on actual data, if possible. Further, additional adjustments may be made for circumstances that vary from the beginning to the end of the year due to unanticipated circumstances that occurred during the year.

P. Block P – SDA Performance Standard

Combine Block O with Block N. Enter the result in Block P.

NOTE: The user is reminded that National Averages and Weights (preprinted in Column H and J) and the National Departure Points in Block M must not be changed when calculating the expected performance level to preserve the integrity of the modeling approach. Further, all Local Factors must be included when computing the Model-Adjusted Performance Level.

**ECONOMIC PLANNING DATA FOR
PERFORMANCE STANDARDS
FOR PY 1998-99
(July 1, 1998, through June 30, 1999)**

PY 1998-99 ECONOMIC PLANNING DATA

SDA	Avg. Annual Earnings in Retail/Wholesale Trade (1,000s)	PY 1998-99 Unemployment Rate	Percent Employed in Mining, Manufacturing, and Agriculture
	(LMID:1990 Census)	(LMID)	(LMID:1990 Census)
Alameda County	27.9	3.3	15.5
Anaheim	21.4	3.5	20.3
Butte	15.7	8.5	12.4
Carson/Lomita/Torrance	24.2	6.4	17.2
Contra Costa	23.7	3.5	9.1
Foothill	24.2	6.4	17.2
Fresno	18.7	13.8	28.8
Golden Sierra	18.4	5.1	11.3
Humboldt	15.0	7.4	16.8
Imperial	16.6	26.1	31.8
Kern/Inyo/Mono	17.8	11.9	29.9
Kings	17.9	12.0	36.3
Long Beach	24.2	6.4	17.2
Los Angeles City	23.6	7.3	15.6
Los Angeles County	24.2	6.4	17.2
Madera	17.3	13.2	41.5
Marin	23.0	2.6	5.4
Mendocino	15.3	8.0	23.3
Merced	16.1	15.5	36.2
Monterey	19.4	10.9	29.4
Mother Lode	14.0	7.8	9.7
Napa	18.0	4.6	23.3
NoRTEC	14.3	10.6	17.1
NCC	15.7	14.0	27.1
NOVA	34.1	2.2	30.9
Oakland	24.0	6.6	13.1
Orange	28.2	2.6	17.4
Richmond	18.3	7.5	10.6
Riverside	18.0	7.1	15.8
Sacramento	19.9	5.3	7.0
San Benito	17.7	10.7	40.8
San Bernardino City	16.8	8.6	8.4
San Bernardino County	20.0	5.6	14.5
San Diego	19.9	3.8	12.7
San Francisco	26.8	3.9	6.7
San Joaquin	19.4	10.7	22.4
San Luis Obispo	15.2	4.4	13.1
San Mateo	28.7	2.5	11.8
Santa Ana	15.1	5.5	25.5
Santa Barbara	18.9	4.7	19.8

PY 1998-99 ECONOMIC PLANNING DATA

SDA	Avg. Annual Earnings in Retail/Wholesale Trade (1,000s)	PY 1998-99 Unemployment Rate	Percent Employed in Mining, Manufacturing, and Agriculture
	(LMID:1990 Census)	(LMID)	(LMID:1990 Census)
Santa Clara	29.1	3.2	27.1
Santa Cruz	18.7	7.4	26.0
SELACO	24.2	6.4	17.2
Shasta	16.4	9.3	10.2
Solano	18.9	6.0	11.5
Sonoma	20.5	3.6	18.2
South Bay	24.2	6.4	17.2
Stanislaus	18.1	12.4	28.9
Tulare	17.4	15.5	38.2
Ventura	20.2	6.1	19.1
Verdugo	24.2	6.4	17.2
Yolo	23.8	5.7	15.3
State Total	22.9	6.0	17.5

PY 1998-99 ECONOMIC PLANNING DATA

SDA	Population Density (1,000s/sq. mi.)	Family Income Below Poverty Level In %	Employee/ Resident Worker Ratio	Three Year Growth Rate in Earnings in Retail/Wholesale Trade
	(LMID:CY 97)	(LMID:CY 97)	(DOL:CY 90)	(DOL CY 93-CY 96)
Alameda County	1.45	4.9	99.6	1.3
Anaheim	6.67	7.4	100.2	-0.8
Butte	0.12	12.2	97.7	-4.4
Carson/Lomita/Torrance	2.34	11.6	105.6	-2.4
Contra Costa	1.14	4.6	83.0	0.0
Foothill	2.34	11.6	105.6	-2.4
Fresno	0.13	16.8	102.5	-2.6
Golden Sierra	0.08	5.6	80.3	-0.4
Humboldt	0.04	12.8	101.4	-3.5
Imperial	0.03	20.8	100.7	-1.8
Kern/Inyo/Mono	0.03	13.4	102.2	-3.1
Kings	0.09	15.0	99.2	-4.1
Long Beach	2.34	11.6	105.6	-2.4
Los Angeles City	7.00	14.9	105.6	-2.4
Los Angeles County	2.34	11.6	105.6	-2.4
Madera	0.05	13.1	86.9	6.9
Marin	0.47	3.0	84.1	2.1
Mendocino	0.02	11.0	99.4	-4.6
Merced	0.10	15.4	94.1	-3.5
Monterey	0.11	8.5	98.7	-1.7
Mother Lode	0.03	7.3	89.5	-23.5
Napa	0.16	4.6	93.2	-6.4
NoRTEC	0.01	11.9	96.6	0.7
NCC	0.05	13.3	94.2	-4.4
NOVA	4.70	2.9	108.2	11.3
Oakland	6.92	16.7	99.6	1.3
Orange	2.86	4.1	100.2	-0.8
Richmond	3.07	13.5	83.0	0.0
Riverside	0.19	8.4	84.4	0.1
Sacramento	1.18	9.8	104.4	-1.0
San Benito	0.03	7.3	77.4	-2.7
San Bernardino City	3.27	19.5	83.9	-0.8
San Bernardino County	0.07	9.1	83.9	-0.8
San Diego	0.65	8.1	98.8	0.8
San Francisco	7.00	9.7	148.3	-1.7
San Joaquin	0.38	12.0	94.8	-4.3
San Luis Obispo	0.07	6.8	98.4	-2.6
San Mateo	1.56	4.3	92.3	-0.1
Santa Ana	7.00	12.5	100.2	-0.8

PY 1998-99 ECONOMIC PLANNING DATA

SDA	Population Density (1,000s/sq. mi.)	Family Income Below Poverty Level in %	Employee/ Resident Worker Ratio	Three Year Growth Rate in Earnings in Retail/ Wholesale Trade
	(LMID: CY 97)	(LMID:CY 97)	(DOL: CY 90)	(DOL CY 93-CY 96)
Santa Barbara	0.15	7.4	102.5	-0.4
Santa Clara	1.02	5.7	108.2	11.3
Santa Cruz	0.55	6.2	89.1	1.3
SELACO	2.34	11.6	105.6	-2.4
Shasta	0.04	11.0	100.3	-7.8
Solano	0.45	6.0	76.2	-0.4
Sonoma	0.27	5.2	87.3	3.3
South Bay	2.34	11.6	105.6	-2.4
Stanislaus	0.28	11.4	93.7	-3.2
Tulare	0.07	18.0	94.7	-1.4
Ventura	0.39	5.0	83.5	-1.6
Verdugo	2.34	11.6	105.6	-2.4
Yolo	0.15	9.8	107.4	-0.3
State Total	0.21	9.3	100.0	-1.4

**EXTREME VALUES
PY 1998-99**

(July 1, 1998, through June 30, 1999)

Model-Adjusted Performance Standards for Title III PY 1998-99

Local Factors Title III Dislocated Workers PY 1998-99

**EXTREME VALUES
MODEL-ADJUSTED PERFORMANCE STANDARDS
FOR TITLE III**

	<u>Extremely Low</u>	<u>Extremely High</u>
Entered Employment Rate	<59%	>83%
Wage at Placement	<\$5.15	>\$14.74

**EXTREME VALUES
LOCAL FACTORS TITLE III DISLOCATED WORKERS
PY 1998-99**

	<u>Extremely Low</u>	<u>Extremely High</u>
% Female	<24	>84
% Age 55 or more	--	>23
% Not a high school graduate	--	>32
% Post-high school (including college)	<8	>60
% College graduate	--	>44
% Black (not Hispanic)	--	>81
% Other minority	--	>86
% Minority male	--	>48
% Cash welfare recipient	--	>18
% Basic skills deficient	--	>79
% Individuals with a disability	--	>18
% Limited English-Language proficiency	--	>19
% Offender (includes misdemeanors only)	--	>22
% Vietnam-era veteran	--	>19
% Displaced homemaker	--	>16
% Unemployed 15 or more weeks	<9	>75
% UI claimant	<20	>95
% UI exhaustee	--	>23
Dislocation wage	--	>18.64
% No Dislocation wage	--	--
Unemployment Rate	<2	>17
Three-year growth in earnings in trade	<-7	>7
Annual earnings in retail and wholesale trade	<12	>29
% Employed in manuf., agric., and mining	<5	>45
% Of families with income below poverty	<2	>34
Employee/resident worker ratio	<63	>177